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A Letter to the People of Louisiana

To the People of Louisiana,

Everyone acknowledges how difficult this past year has been. Between the Covid-19 pandemic and Hurricanes Laura and Delta, you have faced many challenges. As the 2021 Legislative session nears, we have an opportunity to make changes to policies that will set us on the path to a better Louisiana for future generations.

In the upcoming Legislative Session beginning on April 12th, we are putting together a plan to fundamentally change our tax structure. Louisiana has a per capita state and local tax burden that is very competitive; but, because of the complexity of the current tax structure, we are ranked near the bottom by many tax policy organizations. Businesses pay attention to these rankings and often our state is not considered as a possible location due to the perception that doing business in Louisiana is too complicated and too costly.

As leaders of the legislature, we believe it is our responsibility to be transparent and keep you informed. So, the purpose of this letter is to make you aware that in the upcoming session, we will be submitting a package of bills. The Senate and the House of Representatives have been working together, consulting with stakeholders and experts to craft this package. The focus of our tax reform efforts will be **stability, simplicity, and predictability**. Among the proposals that will be introduced for consideration are:

- **Centralizing state and local sales tax collection** . Louisiana is only one of three states remaining in the country that does not have some form of centralized sales tax collection.

- **Lowering individual income and corporate income tax rates by eliminating the deduction for federal income taxes**. Louisiana is only one of two states, that allow a deduction for federal income tax, and the removal of this deduction by a

constitutional amendment would allow all Louisiana Citizens and Businesses to pay a lower tax rate on income without picking winners and losers.

- **Reducing and simplifying the corporate franchise tax.** The franchise tax discourages capital investment in the state. We are one of only 16 states that have a similar tax.

- **Phasing out the property tax on inventory.** An inventory tax by its nature is regressive and punitive to businesses. We will present a plan to reform the system that minimizes the impact on local governments.

Making Louisiana a competitive investment for new businesses and stabilizing our tax structure for current businesses and residents, are the goals of the upcoming session. This plan is a bold one, but it is a worthy one that can offer a generational change to our Great State.

We hope that you will join us in supporting our efforts to provide the people as well as the businesses that employ our citizens with a taxing system that provides more **stability, simplicity, and predictability.** We look forward to working with each of you as we build a better Louisiana.

Sincerely,

Patrick Page Cortez

President of the Senate

Clay Schexnayder

Speaker of the House

Senator Beth Mizell

President Pro Tempore

Representative Tanner D. Magee

Speaker Pro Temp

Senator Mack A. "Bodi" White, Jr.

Chairman, Senate Finance Committee

Representative Jerome "Zee" Zeringue

Chairman, House Appropriations Committee

Senator R.L. Bret Allain, II

Chairman, Senate Revenue and Fiscal Affairs Committee

Representative Stuart J. Bishop

Chairman, House Ways and Means Committee

A signed copy of the letter can be viewed [here](#):

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